

Presentation to House Appropriations, Article I Subcommittee: HHSC Data Center Services

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Background and Current Status

- HHSC has participated in the DCS program since its inception.
- HHSC and the HHS agencies collectively are major recipients of DCS services.
 - HHS agencies are forecasted to comprise approximately 30% of the total DCS contract in FY 14-15.
 - HHSC alone is projected to comprise about 16% of the total contract in FY 14-15.
- The DCS owner-operator governance model provides each participating agency the opportunity to take an active role in the program.
 - HHSC is assigned an additional, non-rotating seat in the executive level governance committees.
- HHSC supported DIR through improvements of the previous DCS contract and in the transition with the new contracts.
 - The new contracts provide improvements in steady-state services, tools, incident and change management, security, technology, governance, and disaster recovery.
 - The structure of the new contracts (Master Service Integrator and Service Component Providers) has resulted in a more focused approach for providing services.
 - Agencies' satisfaction levels have increased.

HHSC Critical Applications in DCS

- HHSC depends on its infrastructure to be stable and reliable.
- Mission critical applications that rely on DCS infrastructure include:

Application	Function
2-1-1	2-1-1 helps Texas citizens connect with the services they need. Whether by phone or internet, the goal is to present accurate, well-organized and easy-to-find information from over 60,000 state and local health and human services programs.
Disaster Assistance Payment Program (DAPP)	DAPP is used to process FEMA grants when the president declares a disaster in Texas.
Eligibility Benefits Transfer (EBT)	The Texas EBT system delivers Supplemental Nutrition Assistance Program (SNAP) food benefit services and Temporary Assistance for Needy Families (TANF) cash benefits to Texas recipients.
HHS Enterprise Admin Reporting and Tracking System (HEART)	This system tracks external customer complaints, issues, and resolutions for compliance for the five health and human services agencies. It also provides data for analysis for use by managers and administrators.
Health and Human Services Financials (HHSAS-Financials)	HHSAS Financials is the HHS accounting system of record. This system is responsible for financial-related transaction processing that occurs for the five HHS agencies, encompassing the Accounts Payables, General Ledger, Asset Management and Purchasing functions for administrative and client services related provider payments.
Client Record System	The CRS system is the primary client management system for State Supported Living Centers and Hospitals. It consists of ADT and billing functions as well as a full suite of electronic medical record modules for treatment planning, assessment, orders, dietary management, and incident tracking.
Texas Medical Transportation System (TMTS)	TMTS provides transportation for eligible Medicaid, Children with Special Health Care Needs (CSHCN), and Transportation for Indigent Cancer Patients (TICP) recipients who have no other means of transportation to travel to doctor, healthcare facilities or dentist appointments, as well as to hospitals, pharmacies, or other locations where clients receive healthcare services.
WORx	The WORx system is a complete pharmacy management software system used for prescription management, drug labeling, drug distribution, reporting, inventory and interfaces with the main hospital system CRS.

HHSC Exemptions from DCS

- Historically, DIR granted HHSC exemptions from DCS when the program was not capable of meeting HHSC requirements.
- DIR continues to provide the following DCS exemptions for HHSC, including:
 - Texas Integrated Eligibility Redesign System (TIERS) – support is provided through a managed services contract with Northrop Grumman.
 - Office 365 – support is provided through a cloud services contract with Microsoft.
- Long Term Strategy:
 - HHSC has an internal initiative to inventory all managed services contracts with data center components.
 - HHSC's goal is to reduce the number of managed services contracts, merging contracts with similar service requirements and statements of work.
 - HHSC will continue to work with DIR to determine the feasibility of future server consolidations for non-DCS managed services contracts.

HHSC Consolidation

- HHSC was not scheduled for consolidation under the original contract.
 - The agency addressed capacity and aging equipment issues by migrating into the new data centers via the Requests for Service (RFS) process.
- Since the new contract, HHSC has hired staff augmentation resources to support the migration of legacy environments to the consolidated data centers.
 - As of March 2014, consolidation of HHS agencies' servers is as follows:

Agency	Consolidated Servers	Non-Consolidated Servers	Percent Complete
DADS	97	82	54%
DARS	44	25	64%
DFPS	88	9	91%
DSHS	510	240	32%
HHSC	319	336	49%

- DCS consolidation metrics are based on retirement of legacy servers. Because of the agency's unique functions, HHSC is pursuing an application-focused approach to consolidation.
 - Consolidation activities require full project planning methodology.
 - DCS program reports do not accurately reflect HHSC progress.

Benefits from DCS

- HHSC benefits from the enhanced scope of services provided by the fully managed services contract.
 - Unlike most standard managed services contracts, DCS provides a vast array of value-added services, including system administration, problem management, disaster recovery, financial and service level management and reporting, and technology and security programs.
- Cost reductions and service level credits are distributed among all affected agencies.
 - Comparison of cost efficiencies between managed services contracts is difficult. The improved quality of the service level management, technology, security and disaster recovery programs were not previously measured as elements of costs.
- Consolidation of IT infrastructure into state consolidated data centers provides:
 - Flexibility in negotiating application contracts. Agencies can benefit further from contracts negotiated from a broader scale.
 - Service continuity when DCS and application contracts transition to different support vendors at the end of contract terms.

DCS Challenges

- The DCS contract is consumption-based; higher volumes result in lower rates.
 - Rates vary monthly due to individual agencies' changing volumes.
 - HHSC does not have visibility into other agencies' business priorities to assess or plan for any significant rate changes.
 - HHSC is looking for cost containment/reduction by reviewing storage, backup, and tape utilization; and accelerating consolidation efforts to reduce higher rates at legacy data centers.
- The DCS program has struggled to provide timely delivery of new services requested to meet business objectives, such as shared File Servers and Port Aggregator.
 - Length of time to obtain new services affects IT initiatives and timelines, causing business customers to seek alternative service providers and options.
- HHSC's constantly changing business needs present a challenge. For example:
 - Affordable Care Act regulations changed client notices requirements, resulting in an increased monthly print volume from approximately 7 million images to approximately 28 million print images per month.
 - The increased volumes required Xerox to procure additional staff, printers, and inserters.
 - As of March 2014, the DCS print/mail bands were broken.
 - Per contract, DIR and Xerox may renegotiate the contract rates.

DCS Changes and Expansion

- Evaluation of an Enterprise Data Warehouse (EDW) solution is underway. HHSC required that RFP respondents include a DCS hosting option.
- HHSC has requested HHS Enterprise File Server and Port Aggregator services to meet business requirements.
 - These were flagged as DCS Enterprise offerings and required development of an enterprise solution, a lengthy process which has delayed delivery of services by more than 12 months.
- DCS vendors are obtaining agency feedback for new technology considerations.
 - HHSC has begun using Database as a Service (DaaS) technology, specifically Oracle Exadata, and has identified improved system performance. This technology was made available post contract award and does not “align” with existing architecture, requiring application changes to take advantage of the full technology offering.
 - HHSC would like to consider additional technologies such as VDI and Cloud offerings. The agency has concern about competitiveness with comparative market offerings.
- HHSC will continue to work with DIR as data center services evolve and expand.
 - HHSC seeks improvement in the process for assessing enterprise technology priorities; improvement in timely delivery of data center services and technologies; and proof of concept opportunities for agencies to validate functionality.